

Implementing a Product-Focused Strategy in the IT Unit of a Large Defense Sector Organization Using Agile Approaches.

The Organization

The IT unit of a large defense sector organization, employing thousands of people, comprises around 400 staff members (over 25 teams). The unit is responsible for initiating, planning, developing, and operating the organization's core systems.

A new strategy was formed to enable better focus on customer needs, reduce time-to-market (TTM), and respond more effectively to global technological trends while reducing operational costs—freeing up the budget for a significant technological leap forward.

The organization's core systems include standard management systems (HR, Finance, Marketing, etc.), logistics systems (transportation, construction, maintenance, catering), advanced development and CAD systems, and complex systems supporting development-to-production transfer, shop-floor management, component inventory, shipping, and orders.

The unit provides 24/7 support to hundreds of complex systems and serves thousands of employees across various disciplines and geographically distributed sites. It must stay technologically current and provide the tools necessary to develop and deliver cutting-edge systems.

The recent war posed additional significant challenges to the organization and the IT unit.

The COVID-19 pandemic and technological changes required the unit to adapt to remote work, transition to the cloud while maintaining the high level of cybersecurity demanded of a security organization, and handle ongoing cyber challenges.

The challenge

Following a leadership change, the unit decided to implement a new strategy requiring a major organizational transformation.

Key elements of the change included:

- Establishing ~25 Agile product teams, each fully responsible for a group of products and focused on internal business-domain customers.
- Transitioning from hierarchical professional management to a matrix structure with autonomous, cross-functional product teams providing end-to-end value.
- Shifting from project management to product management by forming a product office using modern product management tools, with a focus on high ROI and low TCO.
- Moving from waterfall-style project management to value-driven, rapid value delivery.
- Focusing on new technologies and off-the-shelf products to reduce operational costs.

This required a structured change management process and the implementation of Agile workflows, as well as product management knowledge and experience to turn strategy into reality.

Unlike product companies in high-tech, the internal IT structure called for customized change management, product management, and team operations.

The Implemented Solution

Change management based on AgileSparks Way principles:

- **Executive Workshops** at two levels:
 1. Unit leadership, including the unit manager, deputy, and department heads.
 2. Senior professionals in product, implementation, and development.
- **Team Structuring** - Forming product teams and tailoring team size and roles to standard definitions.
- **Wide-scale training** for product managers: 3-day workshops in 4 rounds, tailored to an internal IT unit.
- **Scrum Master training** to lead teams.

Due to the unit's size (25+ teams), a gradual rollout was chosen. Each wave included team-wide training and sprint event support.

- Defining R&R and areas of responsibility for roles (lead PMs, SMs).
- **Organizational rhythm:** Two-week sprints, quarterly PIs (6 sprints).
- Building **knowledge retention processes**, assigning professional development responsibility to domain and departmental leads, clarifying their roles vis-à-vis the product teams.

- Developing the Scrum Master layer as a leading middle-management tier. Courses, SM forums, and PSM certifications equipped them with tools and capabilities previously unavailable in the unit.
- **Empowering domain managers** to lead product team clusters and support or challenge team leads (PMs and SMs).

Measurement and Achievements

Due to the scale of the change and the lack of baseline data, numerical before-and-after comparisons weren't possible. However, significant improvements were noted in process adoption and team/organizational forecasting throughout the change process.

To measure progress across all 25 teams, a **"heatmap"** was used to track implementation in three areas:

1. **Cadence & Events.**
2. **Operational metrics** (Leading Indicators).
3. **Business Value (BV) and TTM.**

The heatmap served both consultants and unit leads to monitor team progress and as a basis for discussions with team leads to set improvement goals.

Each metric had **four implementation levels** based on clear criteria, ensuring objectivity. These were color-coded for team assessment.

- **Level 1** – Rhythm & Cadence practices implemented.
- **Level 2** – Improvement in leading operational indicators.
- **Level 3** – Output metrics: business value and customer satisfaction.
- **Level 4** – Product mindset: TTM and early value delivery.

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Team 1	2	2.0	2	1	4	2	2.0	1.18	1.40	2.0	NA	0.42	NA	NA	NA	1.0	1.10	2.0	1	1	1	2.13	2	1	4	2	2.0	1.18	1.40
Team 2	4	2.0	1	1	3	2	2.0	1.48	1.70	2.0	1.0	1.25	1	4	1	1.0	1.20	2.0	2	1	1	1.88	1	1	3	2	2.0	1.48	1.70
Team 3	18	2.4	3	4	3	2.4	1.80	1.00	1.0	1.0	2.42	1	3	3	2.0	1.10	1.0	2	1	1	1	2.73	1	3	4	3	2.4	1.80	1.00
Team 4	6	2.4	1	4	1	2.4	1.80	1.70	2.0	1.0	1.25	2	3	1	1.0	2.40	2.0	2	3	2	2	1.98	1	3	4	1	2.4	1.80	1.70
Team 5	14	2.0	2	1	2	2.0	1.95	2.00	2.0	2.0	1.67	3	2	1	2.0	2.00	2.0	2	2	2	2	2.25	4	3	1	2	2.0	1.95	2.00
Team 6	22	2.8	3	4	1	2.8	2.04	2.30	2.0	3.0	2.00	1	3	2	2.0	1.60	2.0	2	1	2	2	2.33	3	3	4	1	2.8	2.04	2.30
Team 7	10	2.6	1	4	1	2.6	2.05	2.30	2.0	3.0	1.92	2	1	2	2.0	1.90	1.0	2	3	1	1	2.14	4	1	4	1	2.6	2.05	2.30
Team 8		2.0	1	3	1	2.0	2.08	1.60	1.0	3.0	2.83	1	3	3	3.0	1.70	3.0	2	2	1	1	2.00	2	4	3	1	2.0	2.08	1.60
Team 9	13	2.8	2	4	2	2.8	2.09	1.60	1.0	3.0	1.67	2	3	1	2.0	2.40	2.0	2	2	3	3	2.95	4	4	4	2	2.8	2.09	1.60
Team 10	16	2.8	2	4	2	2.8																							

After six months, most teams reached a high implementation level for Level 1, improved in Levels 2–3, while Level 4 remained a challenge for further development.

Quantitative and Qualitative Outcomes

- **Greater engagement and ownership** by teams, shown through improved value delivery.
- Notably strong **Scrum Master layer** formed during implementation—high commitment, excellent delivery leadership.
- **Shift from top-down to collaborative planning** greatly improved commitment and feasibility.
- **Transparency increased**, enabling visibility of delivery progress throughout the quarter.
 - Each quarter, teams presented their plans to leadership.
 - At quarter's end, they presented achievements and output metrics in full team presence.
- Switching to **2-week sprints** (vs. monthly) reduced story cycle time to ~8–10 days, **30–50% shorter** than before.
- **Forecasting accuracy improved**
 - Sprint and quarterly planning based on historical data.
 - Teams achieved 80–90% of their quarterly plans.
- **RUN budget** (ongoing maintenance) dropped significantly.
 - The unit shifted more budget toward innovative systems, especially for production management and dev-to-prod transfer.

CASE STUDY

Testimonials

“

The process we underwent this past year brought tremendous value and was critical to successfully implementing our new strategy. At first, we thought we didn't need external support, but AgileSparks' guidance, experience, and preparation made all the difference. I recommend this kind of support to anyone undertaking complex change processes.”

N.,
Unit Head

“

Throughout, we talked about continuous small improvements, but looking back a year later—it's clear we made a huge leap. The way we operate now is completely different.”

Y.,
Deputy Unit Head

“

The unit went through a major transformation, deeply adopting Agile and product management practices. AgileSparks supported everything—from shaping the concept, executive workshops, and team training to stabilizing the teams.

Oded's professionalism, ability to drive change and spark understanding, deep familiarity with IT organizations, and strong commitment were all critical to success.”

G.,
OCIO Leading the Change